GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

STARRED QUESTION NO:35
ANSWERED ON:22.02.2001
DEMAND AND IMPORT OF OIL
ASHOK NAMDEORAO MOHOL;RAMSHETH THAKUR

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the demand of oil is likely to increase three fold in the next 20 years and will touch 300 million tonnes in the country;

(b) if so, whether domestic production of oil is unable to meet the requirement resulting in an increase in imports year-by-year;

(c) if so, the extent to which import burden is likely to increase; and

(d) the corrective steps being taken by the Government in this direction?

Answer

MINISTER OF PETROLEUM AND NATURAL GAS (SHRI RAM NAIK)

(a) to (d): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PATRS (a) TO (d) OF THE LOK SABHA STARRED QUESTION NO. 35 T
ANSWERED ON 22.2.2001 REGARDING DEMAND AND IMPORT OF OIL

(a) As per the India Hydrocarbon Vision 2025, the demand of oil is likely to increase to 368 milliontonnes per annum by the year 2024-25 as against the consumption of around 97 million tonnes during the year 1999-2000.

(b) Yes, Sir.

(c): The import burden in the next 4-5 years is likely to increase by 5-7 million tonnes per annum. Thereafter the import requirement would depend on the results of the efforts underway to increase indigenous production of crude oil.

(d): Given the increasing demand for petroleum products and the current level of import dependence of around 70%, it is difficult to envisage self-sufficiency in the near future. However, several important steps have been taken to increase crude oil production in the country, which include :

(i) To improve the recovery factor from existing major fields by implementing Enhanced Oil Recovery (EOR)/Improved Oil Recovery (IOR) schemes; in particular Oil and Natural Gas Corporation Limited (ONGC) has taken up 15 fields for this purpose at an estimated investment of Rs. 10,000 crore, which would also help in accelerating oil production from these fields.

(ii) To increase exploration efforts through the New Exploration Licensing Policy (NELP), under the first round of NELP, 24 Production Sharing Contracts (PSCs) have been signed and 25 blocks have been offered under the second round of NELP, with bid closing date of 31.3.2001.

(iii) To attract technology and investment; PSCs for 11 discovered fields, 10 in Gujarat and 1 in Assam, are being signed on 23.2.2001 with consortia of Indian and foreign companies.

(iv) To explore in new areas, especially in deep water and difficult frontier areas, as also explore in the deeper layers of the producing fields.

(v) To develop faster the newly discovered fields and to step up the use of new technologies for seismic surveys, work over and stimulation operations, drilling of wells etc. in producing areas.

Supplementing the above efforts for increasing oil production in the country, measures are being taken to acquire equity oil from abroad. The gas from Lan Tay/Lan Do fields of Vietnam, where ONGC-Videsh Ltd.(OVL) holds 45% share, is likely to come on stream by the end of 2002. Recently, on 10.2.2001, OVL has signed a major Agreement for acquisition of 20% share in Sakhalin-I offshore in Russia, with an estimated investment of Rs. 8,000 crore. OVL has also signed a contract for Exploration Block No.8 in Iraq on 28.11.2000. Memoranda of Understanding(MOU) have also been signed by OVL with National Oil Companies of Algeria, Indonesia, Vietnam and Venezuela for co-operation in hydrocarbons exploration and production.